



Cosponsor the Veterans Entrepreneurship Act of 2015 (H.R. XXX)

Currently, there are over 21 million veterans living in the United States. Our most recent veterans who have served in active duty at any time since September 2001 have a substantially higher unemployment rate of 6.9 percent compared to the standard unemployment rate of 5.4 percent.

While finding employment upon transition to civilian life is a challenge, many veterans find that skills learned during military service translate well to entrepreneurship. However, veterans have found it difficult to obtain the access to capital needed to start a small business. The Veterans Entrepreneurship Act of 2015 would waive the guarantee fee upon origination of a Small Business Administration (SBA) 7(a) express loan for veterans to make it easier for veterans to obtain the capital needed to start their own small businesses.

Facts About the Veterans Entrepreneurship Act of 2015 (H.R. XXX)

- As trained leaders, veterans tend to be more entrepreneurial than the rest of the population. The self-employment rate for veterans has remained higher than that of non-veterans in each of the last 35 years, since 1979.
- Veteran-owned small businesses make up 9.1 percent of all small firms and nearly 4 million businesses with average annual revenues of almost a half of million dollars.
- In FY 2014, veterans received 2,113 7(a) loans totaling \$598 million.
- Currently, the 7(a) programs operates at no cost to the taxpayer as the SBA takes in enough fees from upfront and annual fees to cover the cost of the program. The 7(a) express loan program operates with only a 50 percent guarantee for up to \$350,000 but enables lenders to use their own forms for making the loans (thereby reducing costs and paperwork).
- The SBA Administrator has authority to waive fees on small dollar loans and is currently waiving the upfront fee on 7(a) express loans to veterans – at no cost to the taxpayer.
- H.R. XXX makes this upfront fee waiver permanent. Veterans would not have to pay the upfront fees for express loans unless the President, in the budget, determines that the 7(a) loan program will have a cost above zero as the term cost is defined in the Federal Credit Reform Act.